

Distribution Dates

Lump-Sum Payment

If you choose to receive distribution of your funds in a lump-sum, the entire amount must be distributed to you no later than April 1 of the calendar year following the calendar year in which you either attain age 70 ½ or retire, whichever is later.

For example, if you reach age 70 ½ in 2007 and are retired, the deadline to receive the lump-sum payment is April 1, 2008. If you are age 70 ½ or older and still employed with an eligible agency, distribution begins immediately at retirement. The IRS requires RSA-1 to withhold 20% of the lump-sum distribution for federal income tax.

Equal Monthly Payments

If you choose to receive distribution of your funds in equal monthly payments, the distribution must begin no later than April 1 of the calendar year following the calendar year in which you either attain age 70 ½ or retire, whichever is later. Checks are mailed and electronic deposits are made the last business day of the month.

These payments continue either:

- ◆ Over your life,
- ◆ Over your life and the life of your designated beneficiary, or
- ◆ Over a definite period (for example, five years) not extending beyond your life expectancy or your life expectancy and the life expectancy of your designated beneficiary, or
- ◆ In a specified dollar amount provided the amount is equal to or greater than the minimum required by the Internal Revenue Code.

Delayed Payments

If you wait to begin distribution until the calendar year following the calendar year in which you attain age 70 ½ (but no later than April 1 of that year), the required distribution for two years must be paid that same calendar year:

- ◆ One distribution by April 1 for the 70 ½ year,

and
- ◆ One distribution by December 31 for the year following the 70 ½ year.

Beneficiary Payments

- ◆ If distribution begins before your death, any amount not distributed to you during your life will be distributed after your death to your beneficiary(s) in accordance with the requirements of the Internal Revenue Code and Regulations governing distributions.
- ◆ If distribution begins after your death, the distribution of the entire account must be made within 5 years of your death.

Except:

- ◆ If the spouse is the beneficiary and the benefit commencement date is no later than December 31 of the calendar year you would have been 70 ½, the entire amount payable must be paid during a period not to exceed the life expectancy of the surviving spouse.
- ◆ If a non-spouse is the beneficiary, the benefit commencement date must be no later than December 31 of the calendar year following the year of your death and the entire amount payable with respect to you must be paid during a period not to exceed the beneficiary's single life expectancy in the year after your death.
- ◆ If the estate or a trust has been named as beneficiary, the distribution must be paid within five years after your death. The trust may be permitted to be revocable while you are alive, provided that it becomes irrevocable by its terms upon your death.